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C O N F I D E N T I A L LA PAZ 001468

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TAGS: [PREL](#) [PGOV](#) [KDEM](#) [PHUM](#) [EAID](#) [BL](#)
SUBJECT: GOB DIVIDED ON APPROACH TO U.S.

REF: A. LA PAZ 1239
[1](#)B. LA PAZ 1410

Classified By: Charge d'Affaires John Creamer, reasons 1.4b,d

[1](#)1. (C) Summary: Our recent experiences with the Bolivian government show its internal divisions, between those officials who distrust the USG but recognize the value of repairing relations and those who view us as a threat and want to reduce us to a minimal in-country presence. The upcoming second round of the U.S.-Bolivian bilateral dialogue will test those divisions. For now, these disparate voices within the GOB provide a schizophrenic quality to our relations, as the Bolivian government veers daily from public, vitriolic attacks on the U.S. to requests for assistance and signals welcoming dialogue. End summary.

[1](#)2. (C) Following months of public and private Bolivian complaints about the slow pace of our bilateral dialogue, Foreign Minister David Choquehuanca offered an uncharacteristically upbeat assessment of relations October 7, explaining publicly that "advances" had been reached in the U.S.-Bolivian process and that the GOB looks forward to the second round of dialogue later in the month. Privately, Choquehuanca and acting Bolivian ambassador to the UN Pablo Solon appear invested in the bilateral dialogue. Both clearly hope to show concrete progress as quickly as possible to overcome internal GOB resistance and to reposition Bolivia with the U.S. (also with an eye toward recovering lost trade preferences).

[1](#)3. (C) At the same time, President Evo Morales rarely misses an opportunity to condemn the U.S. "empire," which he and his inner circle identify explicitly as the source of all of Latin America's problems. Bolivian state television aired a documentary October 6 rehashing a range of unfounded accusations against USAID, former Ambassador Goldberg, and the U.S. Embassy. A separate newscast featured an "expose" of a recent embassy reception that the station alleged had been aimed at co-opting pro-government social groups and providing financial support to the opposition. Morales's diatribes are part of his standard routine, while broadsides against the U.S., such as the latest television documentary and occasional allegations of American subterfuge, are a staple of GOB discourse. Still, sometimes the same officials who attack us one day will find something positive to say a

few days later (or vice versa).

¶4. (C) Similarly, the Bolivian government continues to wrestle with its approach to President Obama, praising him personally while insisting that he has been unable to effect what Morales and others view as needed change. In response to the President's winning the Nobel Peace Prize, Vice President Garcia Linera (a hard-core leftist ideologue) was effusive in congratulating President Obama and lauding his accomplishments, at the same time characterizing the President as a captive of imperialist forces that continue to dominate the U.S.

¶5. (C) USAID's operations have been especially affected by the Bolivian government's internal conflicts between its pragmatists and more hard-line elements. We have been confronted by conflicting messages regarding the GOB's demands for closure of many of our programs, as requests for termination have been followed by revisions and reversals, and then reassertions of the original demands.

¶6. (C) Despite a GOB diplomatic note requesting an end to all democracy, public administration and conflict mitigation programs (ref A), Minister of Planning and Development Noel Aguirre informed USAID October 1 that the GOB wants to reopen discussion of our Municipal Strengthening Activity programs and two near-finished Integrated Justice Center projects. FM Choquehuanca also asked us to consider a GOB proposal that would allow the municipal strengthening program to continue. The GOB appears to have reconsidered these USAID programs yet again in response to intense lobbying from municipal, indigenous and social groups.

¶7. (C) Amid this ongoing uncertainty about the fate of many USAID programs, the GOB signed September 29 a one-year extension of USAID's integrated alternative development program, with the support of Vice Minister of Social Defense Felipe Caceres (who claimed to have intervened personally with President Morales to make it happen). The extension allows the program to continue while the parties coordinate on future changes to the program. Still, Morales reportedly later instructed Aguirre and Presidency Minister Juan Ramon Quintana to oversee program implementation, to ensure that it conforms with overall objectives for foreign assistance (which could result in another attempt to channel all resources through the GOB, or in program delays).

¶8. (C) We were unable to get a similar extension for USAID's health programs, however, as Aguirre informed the Charge that all further agreements between USAID and the GOB would be discussed as part of the bilateral dialogue. USAID health programs will nevertheless continue, through direct agreements with implementing partners, until an agreement can be concluded with the GOB.

¶9. (C) Comment: The Bolivian government's internal conflicts over relations with the U.S. have been evident for some time now, as working-level contacts and more pragmatic senior officials such as Choquehuanca and Caceres compete with hard-liners such as Quintana -- who would prefer to scuttle the bilateral dialogue entirely. These disputes manifest themselves in the GOB's spasmodic approaches, as well as its lurching from attack to expressions of interest in cooperation. Although no one expects a successful conclusion of bilateral talks to quiet GOB critics of the U.S., moderate voices within the Bolivian government are looking to this month's second round to provide them with strong arguments to persuade Morales that progress is possible.

CREAMER